



State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

December 30, 2019

Mr. Richard C. Allen, Director
Western Regional Operations Group
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

STATE PLAN AMENDMENT 19-0049: DRUG UTILIZATION REVIEW - SUPPORT ACT
COMPLIANCE

Dear Mr. Allen:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 19-0049 for your review and approval. This SPA proposes to add provisions to page 74e of Section 4.26 of California's Medicaid State Plan in compliance with new requirements set forth in Section 1004 of the federal Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act). Clean and redline versions of the proposed SPA language are enclosed.

DHCS seeks a retroactive effective date of October 1, 2019, for this SPA.

Pursuant to the CMS guidance on state compliance with the SUPPORT Act provisionsⁱ, states are to provide CMS with detailed descriptions of actions they are taking to comply with each of the SUPPORT Act's provisions, but are not required to provide that level of detail in the actual SPA language. We intend to provide that information at a later date, during the SPA's formal review and approval process.

Since this SPA does not propose to make significant changes in its methods and standards for setting payment rates for services, a public notice was not issued.

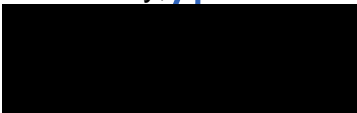
Indian Health Programs and Urban Indian Organizations were provided notification by way of a Tribal Organizational Summary detailing the provisions of this proposed SPA on November 14, 2019, and were given the opportunity to comment on this proposal. Additionally, the SPA's provisions were reviewed during DHCS' quarterly tribal SPA

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review webinar on November 26, 2019. A copy of the tribal notice is enclosed. As of December 30, 2019, no comments had been received.

If you have any questions or need additional information, please contact Harry Hendrix, Chief, Pharmacy Benefits Division, at (916) 552-9500 or by email at Harry.Hendrix@dhcs.ca.gov.

Sincerely,



Mari Cantwell
Chief Deputy Director
Health Care Programs
State Medicaid Director

Enclosures

cc: Ms. Jacey Cooper
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Mr. Harry Hendrix
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ⁱ Pharmacy Drug Utilization Review (DUR) Support for Patients and Communities Act – Helpful Hints for SPA Reporting (CMS, October 21, 2019)

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

1 9 — 0 0 49

2. STATE

California

3. PROGRAM IDENTIFICATION:

Title IX of the Social Security Act (Medicaid)

TO: REGIONAL ADMINISTRATOR

CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

10/01/2019

5. TYPE OF PLAN MATERIAL (*Check One*)☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENTCOMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

1902(a)(85) and Section 1004 of the SUPPORT Act

7. FEDERAL BUDGET IMPACT

a. FFY 2019-2020 \$ 0b. FFY 2020-2021 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Section 4.26, page 74e

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*)

Section 4.26, page 74e

10. SUBJECT OF AMENDMENT

Drug Utilization Review - SUPPORT Act Compliance

11. GOVERNOR'S REVIEW (*Check One*)☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☒ OTHER, AS SPECIFIED☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME

Mari Cantwell

14. TITLE

State Medicaid Director

15. DATE SUBMITTED

December 30, 2019

16. RETURN TO

Department of Health Care Services

Attn: Director's Office

P.O. Box 997413, MS 0000

Sacramento, CA 95899-7413

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

18. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

23. REMARKS

For Box 11 "Other, As Specified," Please note: The Governor's Office does not wish to review the State Plan Amendment.

Revision: HCFA-PM-93-3 (MB)
March 1993

State/Territory: California

Citation

1927 (g)(2)(A)(i)
42 CFR 456.705(b)

2. Prospective DUR is performed using an electronic point of sale claims processing system.

1927 (j)(2)
42 CFR 456.703(c)

J. Hospitals which dispense covered outpatient drugs are exempted from the drug utilization review requirements of this section when facilities use drug formulary systems and bill the Medicaid program no more than the hospital's purchasing cost for such covered outpatient drugs.

1902(a)(85) and Section 1004 of the Substance use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act)

K. The State complies with the Medicaid-related DUR provisions contained in Section 1004 of the SUPPORT Act via the following:

1. Claim Review Limitations:

- Prospective safety edits on opioid prescriptions to address days' supply, early refills, duplicate fills and quantity limitations for clinical appropriateness.
- Prospective safety edits on maximum daily morphine milligram equivalents (MME) on opioids prescriptions to limit the daily morphine milligram equivalent (as recommended by clinical guidelines).
- Retrospective reviews on opioid prescriptions exceeding these above limitations on an ongoing basis.
- Retrospective reviews on concurrent utilization of opioids and benzodiazepines as well as opioids and antipsychotics on an ongoing periodic basis.

2. Programs to monitor antipsychotic medications provided to children.

Antipsychotic agents are reviewed for appropriateness for all children including foster children based on approved indications and clinical guidelines.

3. Fraud and abuse identification.

The DUR program has established a process that identifies potential fraud or abuse of controlled substances by enrolled individuals, health care providers and pharmacies.